

Bernalillo County Premium Pay for Eligible Employees

Frequently Asked Questions (FAQs)

IMPORTANT NOTICE: Bernalillo County has launched a Premium Pay Program for eligible workers performing essential work during the pandemic. Bernalillo County has identified up to \$5 million in relief funds to support eligible employees working in sectors deemed critical to the health and wellbeing of its residents and essential to COVID-19 pandemic economic recovery. Essential workers have put their physical well-being at risk to meet the daily needs of their communities and to provide in-person care for others. These employees regularly perform in-person work, interact with others at work, or physically handle items handled by others.

BASIC INFORMATION

What is Bernalillo County Premium Pay Program?

The program provides organizations Premium Pay compensation, which is additional one-time compensation passed directly to their “eligible workers performing essential work during the COVID-19 public health emergency.” This compensation is to be in addition to their regular salaries or hourly amounts, and not a substitute or increase to their normal pay.

How does the Bernalillo County Premium Pay Program work?

- Starting, on January 9, 2023, the county will begin to accept online and paper applications for the Premium Pay program. Eligible organizations can download a paper copy of the application, at www.bernco.gov/PremiumPay, or pick up an application in person at Bernalillo County, Customer Service, Alvarado Square 415 Silver Ave SW, Albuquerque, NM 87102.
- All organization applications submitted will be screened to determine if the organization is eligible with employee eligibility for Premium Pay.
- Premium Pay compensation will be paid directly to organizations for pass-through payroll distribution to eligible employees.
- Organizations who receive Premium Pay compensation will be required to provide payroll reporting 30 days after receipt of funds.

What are the eligibility criteria for the Bernalillo County Premium Pay Program?

- To qualify, businesses or non-profit organizations must have a physical establishment located within Bernalillo County; this also includes mobile vendors.
- Per US Treasury Guidelines, qualifying organizations or non-profit organizations must also show employee eligibility - those employees with an hourly wage of less than

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\$20/HR (not including tip wages), who were employed as of December 2nd, 2022, and presently employed at the qualifying organization.

- Employees must be employed for in-person work, a worker may not receive Premium Pay for telework from a residence, that includes regular in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or regular physical handling of items that were handled by, or are to be handled by patients, the public, or coworkers of the individual that is performing the work.
- Funds must be used to directly compensate employees as a one-time payment for their ongoing service during this challenging pandemic environment. The Premium Pay compensation must be in addition to a worker's regular rate of wages, not to reduce or substitute compensation typically received.
- Applications for Premium Pay must be submitted by an organization (including non-profit organizations). Eligible workers (in the sectors/roles listed below) may include contracted/independent workers.
- Any subcontractors of organizations with eligible workers (in the sectors/roles listed above) should apply with their own application.
- It is the responsibility of the employer/organization to deduct all necessary taxes before dispersing the Premium Pay compensation to each eligible employee. No retirement deposits may be made on this funding when processing through payroll.

Who are Eligible workers?

Eligible workers include workers "needed to maintain continuity of operations of essential critical infrastructure sectors." The following sectors and occupations are eligible:

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|---------------------------------------|---------------------------------------|
| • Health care | • Home and community-based health |
| • Emergency response | care or assistance with activities of |
| • Sanitation, disinfection & cleaning | daily living |
| • Maintenance | • Family or childcare |
| • Grocery stores, restaurants, food | • Social services |
| production, and food delivery | • Public health |
| • Pharmacy | • Mortuary |
| • Biomedical research | • Critical clinical research, |
| • Behavioral health | development, and testing necessary |
| • Medical testing and diagnostics | for COVID-19 response |

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- Educational, school nutrition, and other work required to operate a school facility
- Laundry
- Elections
- Solid waste or hazardous materials management, response, and cleanup
- Work requiring physical interaction with patients
- Dental care
- Transportation and warehousing
- Hotel and commercial lodging facilities that are used for COVID-19 mitigation and containment **
hotels maybe eligible with staff that meet the essential worker roles

How much money will Premium Pay provide to organizations?

- Bernalillo County will provide organizations, with eligible employees, one-time financial support to assist in retaining existing essential workers with a Premium Pay compensation of up to \$3,000 per employee for a maximum of \$50,000 per organization. Note: for Self-Employed individuals, who meet all eligibility requirements, they may only apply for up to \$3,000 as the sole worker in their licensed business. Funds are distributed on a first-come, first-served basis. Premium payments must be in addition to wages or remuneration (i.e., compensation) the eligible worker otherwise receives.
- For example, if you have 3 eligible employees the maximum the organization will receive is \$9,000, for 50 eligible employees, organizations can disperse the maximum request of \$50,000 as \$1,000 per employee.

How will the funds be disbursed?

- If an organization's application is determined as eligible, payment will be issued directly to the organization, to distribute the funds to eligible employees at the next payroll.

Can the Premium Pay for Eligible Employees Grant be used toward other COVID-related organization's expenses (sick pay, childcare, etc.)?

- No. This particular grant funding is directed for paying compensation to eligible employees only who have worked with in-person duties during this COVID pandemic.

Below are the FAQs from the IRS regarding taxes and is not deemed tax advice from Bernalillo County:

Q1: I am an employer who received a grant from my state/local government to be used to

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provide premium pay to eligible workers during the COVID-19 pandemic. If I make such a payment to my employees, must I withhold income and employment taxes on that payment?

A1: Yes. Premium pay amounts paid to employees are considered wages. Employers generally must withhold federal income tax as well as social security tax and Medicare tax from employees' wages. (Employers also may have to pay federal unemployment tax on the wages.) More information on withholding federal income tax, social security tax, and Medicare tax can be found in Publication 15, Employer's Tax Guide. Premium pay that is considered a regular wage for purposes of federal income tax withholding. This means that, in determining the amount of federal income tax to withhold from wages, the employer should apply for the entries on the employee's Form W-4 according to the procedures detailed in Publication 15-T, Federal Income Tax Withholding Methods, to determine the amount of federal income tax to withhold from premium pay.

Q2: I am an employer who has more than 16 employees that would qualify for the Premium Pay compensation, are there restrictions on how the \$50,000 maximum request be dispersed?

A2: No, it is up to the employer to divide and disperse the Premium Pay grant award, however only employees who earn less than \$20 per hour, work in an in-person role, and have been employed as of December 2, 2022 qualify to receive the one-time compensation.

Q3: Can the owner of the organization receive a Premium Pay compensation from the grant award?

A3: Yes, if that owner meets the eligibility requirements of earning between less than \$20 per hour pay rate and has worked in-person (not remotely).

Q4: Can a covered employer deduct workers' compensation insurance premium payments from Premium Pay Program payments?

A4: No. Workers' compensation insurance premium payments are not taxes and cannot be deducted as payroll taxes.

Q5: If a portion of the Premium Pay Program funds are not used to make payments to an eligible employee, either because the eligible employee rejected the premium pay compensation or terminated their employment, may the covered employer use such funds to cover some of the employer's share of payroll taxes for other eligible employees?

A5: No. If an employer receives Premium Pay Program funds for an eligible employee but does not make a payment to that employee for any reason, then the employer must return to

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Bernalillo County the full amount of the program funds attributable to such employee.

For further guidance, please see the FAQ published by the IRS on SLFRF (<https://www.irs.gov/newsroom/frequently-asked-questions-for-states-and-local-governments-on-taxability-and-reporting-of-payments-from-coronavirus-state-and-local-fiscal-recovery-funds>).

Tax Questions for Employees

Q1: My employer received a grant from my state/local government to be used to provide premium pay to eligible workers during the COVID-19 pandemic. If I receive such payment from my employer, must I include the amount in my gross income?

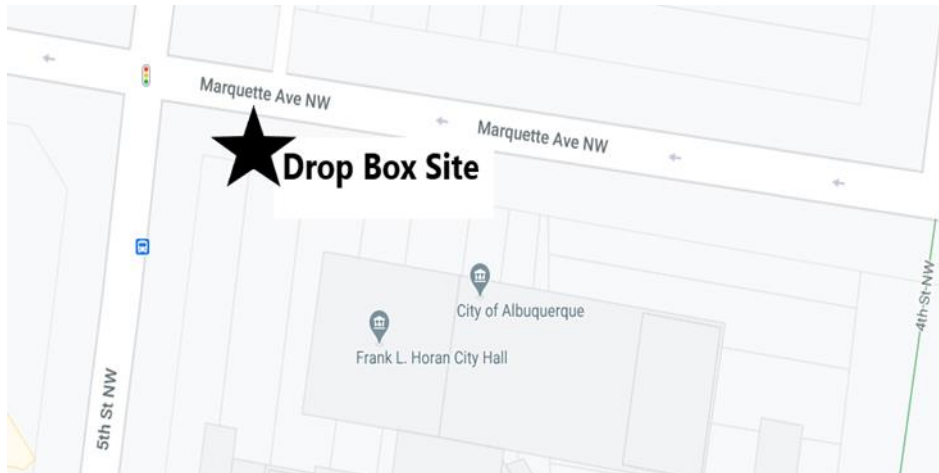
A1: Yes, you must include the payment in gross income as compensation for services. Regardless of whether an amount is paid to you by your state/local government, or by your employer, a payment that is in the nature of compensation for services is not excludable as a qualified disaster relief payment under section 139 of the Code. If you are performing services as an employee, the premium pay is also generally considered wages and is subject to withholding of applicable taxes.

DURING THE APPLICATION PROCESS

How can I apply for the BernCo Premium Pay Program?

- Starting, January 9, 2023, the county will begin to accept online and paper applications for this program.
- Click [here](#) to complete an online application
- To download a paper copy of the application, please go to [www.bernco.gov/Premium Pay](http://www.bernco.gov/PremiumPay), or pick up a copy at Bernalillo County -Alvarado Square 415 Silver SW, Albuquerque, NM 87102.
- Once completed, paper applications - along with copies of the required documents - shall be delivered to Customer Service at Bernalillo County, Alvarado Square 415 Silver SW, 1st Floor Albuquerque, NM 87102, or
 - Treasurer's Tax Payment drop-box at Fifth and Marquette NW.

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- Please ensure that your application is addressed to:
Bernalillo County
Attn: Economic Development
C/O Sulema Lenz
Alvarado Square
415 Silver SW, 8th Floor
Albuquerque, NM 87102
- Completed applications can also be mailed to this address.

Is the application available in languages other than English?

- Yes, the paper applications have been configured in English and Spanish.
- The online application may be completed in multiple languages.

If I need help in submitting my application, what resources are available?

- Yes, if you need assistance completing an application, language translation, or a specific communication format, you may call (505) 468-1279.

Is there a cost to apply for the Bernalillo County Premium Pay Program?

- No. There is no cost to apply. The Bernalillo County Premium Pay Program will never ask for payment to apply. Upon completion of the Premium Pay application, there is no guarantee that the application will be funded. Please do not provide personal information to anyone claiming he or she can help you in any of these ways.

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How many applications may I submit?

- Only one application per organization can be submitted. Any duplicate submissions will not be accepted.

What documents will be required from the organization?

- IRS Form W-9 (Rev. October 2018)
- Bernalillo County Vendor Master Request Form
- Either Active State Organization Registration (Articles of Incorporation) or Current Bernalillo County Business License or Other Jurisdiction within Bernalillo County.
- Quarterly Unemployment Insurance Report (SUTA) for all quarters from 2022 OR Certification of Self Employment form and copy of taxes for 2021, ie. Schedule C.
- Updated and Current Property Tax Receipt, if applicable or Copy of Current Fully Executed Lease.
- **ARPA Premium Pay Eligible Employees worksheet**, listing the eligible employees and their role (that required in-person interaction/ essential work) within your organization.

When submitting an online application, you will be able to upload or attach any digital document to the application for spaces indicated. Note: For an application to be considered complete, all required documents must be submitted to the Economic Development Department. If you do not have this supporting documentation available in digital form, please email a note to BerncoPremiumPay@bernco.gov that the information will be submitted separately, either by mail or drop box. Applications will be reviewed and funded in order of completeness.

ELIGIBILITY REVIEW PROCESS

What does the applicant eligibility review process look like for selected applications?

- As applications are selected for eligibility review, they will be assigned to an Eligibility Specialist. The Specialist will review the application in detail, along with documents submitted with the application.
- If any documentation is missing or incomplete, the Eligibility Specialist will attempt to reach the applicant by the email address and/or phone number listed on the application.
- We advise applicants to provide any missing or incomplete documentation within 48 hours to guarantee priority status. Failure to provide documentation within this timeframe may delay the processing of your application, and therefore cannot guarantee to fund.

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- Missing documentation may be mailed or dropped off at the Drop-Box location indicated earlier.

What happens if an applicant is determined ineligible for the Bernalillo County Premium Pay Program?

- Applicants who are found to be ineligible for the Bernalillo County Premium Pay for Eligible Employees Program funds will be notified by email of such a decision.

What happens if I provide untrue or incomplete information on my application?

- Applications with untrue or incomplete information will either be delayed or denied.

When will Premium Pay payments be sent to organizations?

- As soon as the applicant meets all the criteria, the application will be reviewed for eligibility. If the applicant is determined as eligible, the applicant will be contacted for any missing documentation. Once all documentation has been provided, reviewed, and approved then the county will send out congratulation emails stating how long it will take before the organization receives a payment.